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UNIVERSITY OF PITTSBURGH



L I B R A R Y



May 10, 1837.
Sam'l. Southard,
CHARTER 5 July 1837.

OF THE

MORRIS CANAL

AND

BANKING COMPANY,

AND

THE SEVERAL ACTS OF THE LEGISLATURE

IN RELATION THERETO.

NEW YORK:

J. NARINE, PRINTER, 11 WALL STREET.

1836.

BY THE LEGISLATURE
OF THE
STATE OF NEW JERSEY.

AN ACT

To Incorporate a Company to form an Artificial Navigation between the Passaic and Delaware Rivers.

PASSED 31st December, 1824.

WHEREAS the construction of a Canal, to unite the river Preamble. Delaware, near Easton, with the tide waters of the Passaic, will be of great public benefit and advantage to the people of New Jersey ; now, therefore, in order to secure to the state the results of this public work, and also as an inducement to a company to engage in this important undertaking, and in consideration of the risks and expenditures which they may encounter in its execution and operations ; Therefore,

I. *Be it enacted by the Council and General Assembly of this State, and it is hereby enacted, by the authority of the same,* That Jacob S. Thompson, of Sussex ; Silas Cook, of Morris ; John Dow, of Essex ; Charles Board, of Bergen, and all and every other person or persons, who may become subscribers, according to the mode herein after prescribed, their successors and assigns, shall be, and are hereby incorporated by the name of The “**MORRIS CANAL AND BANKING COMPANY,**” for the purposes and with the privileges and immunities herein after described, defined and granted ; and by that name shall be a body corporate and politic in law, and shall and may sue and be sued, implead and be impleaded, in courts of justice, or in any other place whatsoever ;

and the said Company shall have power and authority, at any time after the passage of this act, to purchase, receive in donation, possess, enjoy and retain, demise, grant, alien, and sell, all such lands, tenements, hereditaments, water streams, and water privileges, rights, goods, chattels and effects of every description whatsoever, as may be necessary for carrying into effect any of the provisions of this act, and under the restrictions and limitations therein mentioned ; and that the said company shall have perpetual succession, and power to make and use a common seal, and the same to renew and change at pleasure ; and also to adopt, establish, and carry into execution, such by-laws, ordinances and regulations, as shall by its president and directors be judged necessary or convenient for the said corporation, in respect to its canal and banking operations herein after mentioned, and the same to change, alter, repeal, annul, and re-enact : *Provided* the same be not contrary to the constitution or laws of the United States or the state of New Jersey.

To pass By
Laws.

Commission-
ers.

Canal Capital
1,000,000.

Shares @100.

II. *And be it enacted*, That George P. M'Culloch and John Scott, of the county of Morris ; Israel Crane, of the county of Essex, and Joseph G. Swift, Henry Eckford and David B. Ogden of the city of New York, be and they are hereby appointed commissioners for receiving subscriptions for the sum of one million of dollars to constitute the capital stock for the canal aforesaid, in shares of one hundred dollars, each ; and that the said commissioners, or a majority of them, shall and do open books for that purpose, at such time and in such place or places within this state, as they shall designate by public advertisements, to be previously inserted for at last three weeks in a public newspaper, printed in Morristown, Newark, and the city of New York respectively ; and shall continue the same open until the said capital stock shall be subscribed, or at their discretion close the same, after they shall have remained opened two days, and again open the same at some other time or times, place or places, giving public notice thereof as aforesaid. And the sum of ten per cent. upon each share so subscribed shall be paid in specie, or in the bills of banks which redeem their bills with

specie, by each subscriber, at the time of subscription, to the said commissioners, or a majority of them ; and the amount so received at the time of subscription, shall by the said commissioners or a majority of them, be deposited in such bank or banks, as the said commissioners, or a majority of them, may elect in their joint names, there to remain until the same shall be by them paid over to the directors of the said company, to be appointed as herein after directed ; that the said directors, when so appointed, shall have power, and they are hereby authorised, to call upon the said subscribers for the payment of further instalments, in such sum or sums, at such time or times, and under such forfeiture or forfeitures, as they may deem expedient, until the whole amount of the said shares so subscribed shall have been fully paid.

Directors may call for instalments.

III. And be it enacted, That the management of the concern of the said company shall be and the same is hereby vested in fifteen directors, to be selected from the stockholders ; and that the said directors shall choose, by plurality of votes, a President from among themselves ; and as soon as conveniently may be, after the said stock of one million of dollars shall have been subscribed, the before named commissioners, or a majority of them, shall convene the said stockholders, by public notice to be given as aforesaid, and at such time and place as they shall designate in said notice, to choose the first board of directors, who shall hold their offices until the first Monday of April, eighteen hundred and twenty six. And if, for any cause whatsoever, an election of directors should not be made on the day whereon in pursuance of this act it ought to be made, the said corporation shall not for that cause be deemed dissolved, but it may be lawful at any other time to hold such election, public notice of the time and place being previously given as aforesaid ; and until such election be made, the president and directors for the time being, shall continue in office : *Provided* such election be held before the first day of January next ensuing the said day of election. And in case of the death, resignation, incapacity, or removal of the president, or of one or more of the directors, the vacancy thereby occasioned may be supplied

Fifteen directors.

To choose a President.

Stockholders to be convened.

If no election at stated time may be new election.

Vacancies to be filled by board.

by appointments to be made by the board of directors ; and
 Each share at all elections of directors, each stockholder shall be entitled
 to one vote for every share of stock by him or her held.

<sup>Exemption
from taxes.</sup> *IV. And be it enacted,* That no state, county, township, or other public assessments, taxes, or charges whatsoever, shall at any time be laid or imposed upon the said Canal Company, or upon the stocks and estates which may become vested in them under this act ; but this exemption shall not extend to any other estate or property of the company, than such as is possessed, occupied and used by the said company for the actual and necessary purposes of *said canal navigation* under this act, according to the true intent and meaning thereof ; and no tax shall be imposed upon any property of said company, or of other persons, transported or used upon or about said canal, of greater amount, according to the value of the article taxed, than shall at the same time be imposed upon the property of the same or similar kinds in the state of New Jersey.

V. And be it enacted, That it shall be lawful for the said company to construct, make and execute a canal, or artificial navigation, to connect the waters of the Delaware river, near Easton, with the tide waters of the Passaic river, and passing through the county of Morris, with all the locks, works, devices, wharves, toll-houses, and offices necessary for the use of said canal. And it shall and may be lawful for the said

<sup>Right to sur-
vey and ex-
plore.</sup> company, by its president and directors, and by any agent, engineer, superintendent, or contractor, or any other person or persons employed in the service of said company, to enter from time to time, and at all times, and upon all lands, whether covered with water or not, for the purposes of exploring or surveying the route or routes for said canal, and locating the several works as above specified, doing thereunto no unnecessary damage. And when the said route or routes shall have been fixed upon, and its several works located by the president and directors, or a majority of them, and a survey thereof deposited in the office of the Secretary of State, then

<sup>After survey
deposited may
take land and
water.</sup> it may be lawful for them, and for any agent, superintendent, engineer, contractor, or any person or persons employed in

the service of said corporation, at any time to enter upon, take possession of, and use, all and singular such lands, water, and streams, subject to such compensation to be made therefor as is hereafter directed.

VI. *And be it enacted*, That where lands, waters, and streams, that may be useful for said canal, shall not be made a free gift by their owner or owners to the said company, then the company shall pay to the owner or owners such compensation as shall be mutually agreed upon. And in case of disagreement in relation to the value of such lands, waters and streams, or in case the owner or owners thereof be feme covert, under age, non compos mentis, or reside out of the state, then it shall be lawful to and for the aforesaid president and directors, from time to time, and at all times, to cause a survey or surveys, and a map or maps, to be made, of any of the lands, waters and streams, in their estimation requisite, and not given as aforesaid, and which they are authorised by this act to take for the uses aforesaid : in the field book of which map and survey, or maps and surveys, shall be distinguished the land or waters of each of the several owners and occupants appropriated, or intended to be appropriated, as aforesaid, and the quantity thereof, and shall exhibit the same to one of the justices of the Supreme Court in this state, not being a stockholder, (having given at least ten days previous notice in writing to the parties concerned, if resident in the state, and by publication in at least two gazettes, published in the counties to be traversed by the canal, of the time and place of such exhibition,) such book and map being accompanied by the oath or affirmation of one of the engineers employed by said company, that the premises therein described are required to be occupied by the company for the purpose of carrying into effect the object set forth by this act, and are not more than is requisite for the said uses ; and thereupon it shall be the duty of said justice to certify such map and book under his hand and seal, and to cause the same to be filed in the office of the clerk of the county where such water or stream may be situated, there to remain a public record. And it shall also be the duty of the said justice, at the time and

How to be
valued and paid
for when not a
gift.

Map, survey
and field book.

To be exhibi-
ted to Justice
Supreme Court

Duty of Jus-
tice.

place aforesaid, by a writing under his hand and seal, to appoint three discreet and disinterested freeholders, chosen from some county or counties not intersected by the canal, as appraisers, who shall, before they enter upon the duties of their appointments, severally take and subscribe an oath or affirmation, before some person authorised to administer oaths, faithfully and impartially to perform the duties required of them by this act, and shall receive such compensation, to be paid by said company, as the justice by whom they are appointed shall determine. And it shall be the duty of said appraisers, or a majority of them, if requested so to do by the owner or owners, or by the company, to make a just and equitable estimate and appraisal of the value of the lands, and damages to the several owners, proprietors, or parties interested in the premises so required for the purposes aforesaid—the said appraisers having given ten days previous notice of the time and place of meeting, to make such appraisements to the owner or owners resident in this state. And the appraisers or a majority of them, shall make regular entries of their determination and appraisal, in a book or books, to be by them kept for that purpose, and shall certify the same under their hands and seals, acknowledging the same before some person authorised to take the acknowledgement of deeds, and shall cause such book or books to be filed in the office of the clerk of the county in which the lands may be situated, there to remain a public record. And the company shall pay, or tender the damages so assessed to the person or persons entitled thereto ; or in case such owner or owners shall be feme covert, under age, non compos mentis,

Damages to be paid. *Tendered or paid into Court* or reside out of the state of New Jersey, the said company shall pay the same into the Court of Chancery of this state, to be disposed of under the order of the Chancellor, according to the laws of this state ; and immediately thereupon, the estate, right, property and interest, in and to the premises so appropriated, described and appraised, shall be vested in the company, to be by them held so long as they shall be used for the purposes of said canal.

VII. And be it enacted, That it shall be lawful for the president and directors of said company, and their superintendents, engineers, workmen, and laborers, with carts, wagons, and other carriages, and with their beasts of draught and burden, and all necessary materials, tools and implements, to enter upon all lands contiguous or near to the route or tract of the canal, doing as little damage thereto as possible, and repairing any breaches they may make in the enclosures thereof, and to take and carry away any stone, gravel, clay, sand, or earth, there being most conveniently situated, and being most suitable for making or repairing said canal, the locks, and other devices before mentioned, thereto belonging —the said owners or occupants being entitled to a fair compensation or remuneration for the materials taken, or damages done, if claimed within twelve months from the time of such damage sustained, or materials taken away. And in case of disagreement as to the amount of such damage, then it shall be lawful for the clerk of common pleas of the county, upon the application of the company, to appoint three judicious disinterested freeholders as appraisers, who, having given at least fifteen days notice to the owners, occupants or persons having charge of such lands, and having been previously sworn fairly and impartially to inquire into, and report the amount of the said damages, shall deliver to each party, or deposite in the clerk's office of the county for their use, a copy of their appraisal, under their hands and seals ; which appraisal shall be conclusive evidence of the amount of damages in any suit to be brought therefor, deducting therefrom, on such suit, all cost and charges of the appraisement, if the amount so appraised shall not exceed one dollar, nor be less than what the company offered to pay before the appointment of appraisers.

VIII. And be it enacted, That the president and directors, or a majority of them, shall have power to elect all engineers, treasurers, collectors, cashiers, tollmen, clerks, agents, artificers, workmen, laborers, servants and officers whatsoever, necessary in their judgment, for conducting the affairs of the company, and to dismiss and elect others at their pleasure.

Board to appoint officers.

To charge and collect tolls. sure ; and also shall have power to charge and collect tolls and rates for the passage of all boats, goods, draught cattle, wares, passengers, produce, and merchandise whatsoever, upon the canal, or upon its banks, and to make, enact, and at pleasure change and re-enact, such tolls and rates, and also regulations and rules for the collection and levying of the same, as to them may seem proper : *Provided* the company shall at no time charge more than three cents per ton per mile, on the passage of coal, lime, gypsum, iron, iron ore, and stone, and a proportionable charge upon other articles, contemplating their bulk, weight and value, and a card thereof to be put up in a conspicuous place at every lock or other point on said canal where toll shall be required to be paid. And if at any time hereafter, the said president and directors shall deem it expedient to increase their capital stock for the canal aforesaid, it shall be lawful for them so to do, and to obtain subscriptions for the same, and to manage and to direct the same agreeably to the provisions, true intent, and meaning of this act ; and all stockholders of such additional shares, and their assigns, shall be thenceforward incorporated into the same company. *Provided always*, that a preference of subscription shall always be given to actual stockholders, in proportion to the shares they shall respectively hold, and that such additional stock shall not exceed five hundred thousand dollars.

Annual statement to be subscribed to stockholders. **IX. And be it enacted**, That at the general meetings of the stockholders, to be held annually, agreeably to the second section of this act, a general statement of the affairs of the company shall be made out, and exhibited by the president and directors ; and the president and directors, or a majority of them, shall at that meeting, or as often as to them may appear expedient, declare such dividends of the net profits of the Company as they may think proper.

Dividends. **X. And be it enacted**, That the capital stock of said Company shall be deemed personal property ; and that all shares of the capital stock at any time owned by any stockholder, shall be transferable on the books of the company in such manner as the by-laws shall ordain ; but all debts due or pay-

Transfer of stock.

able to the company, and also all outstanding engagements with it, shall be satisfied previously out of said stock, before such transfer can be made, and before any dividend or dividends shall be paid upon such shares, unless by the consent of the president and directors.

XI. And be it enacted, That under the powers and conditions stipulated in the foregoing enactments, it shall be lawful for the company to alter at any time, any part or parts of the route of the canal, making compensation for damages to owners as herein before directed ; and that it shall not be lawful for any person or persons, or any body politic or corporate whatsoever, to construct any canal within ten miles of any point of the main trunk of the Morris canal, without the consent of the said company, expressed in writing, under their common seal ; but this prohibition shall not extend to the construction of any canal of less than ten miles in length, and which does not approach within two miles of the canal to be constructed under this charter, and saving to any person or persons, or body corporate, any of their just and legal rights already vested, to the contrary of such prohibition. And it shall be the duty of the Chancellor of this state, upon application made therefor by the solicitor of the company, in due form, to issue his injunction to stay and prevent the construction of any such canal ; and also, it shall be lawful for the said company to raise the waters in the Green Pond, and lake Hopatcong commonly called the Great Pond, by damming the same, and to use the surplus waters thus saved, and so much water of said ponds as shall be necessary for said canal, to take and convey said waters unto said canal, all loss and damages to the owners of said ponds, and the lands flowed or otherwise used in obtaining water for the same as aforesaid, being paid for agreeably to the previous provisions of this act.

XII. And be it enacted, That when the said canal shall cross any public road or farm, it shall be the duty of the company at their proper expense, to make good and sufficient bridges across said canal, and to keep the same in repair, so as to prevent any inconvenience in the usage of the

*Canal route
may be altered*

*No canal to
be made with-
in ten miles.*

Saving rights.

*Green Pond
and lake Ho-
patcong may
be raised.*

Bridges.

said road, or farm, by reason of the said canal crossing the same.

Injuries to Canal **XIII.** *And be it enacted,* That if any person or persons, shall in any manner, wilfully or maliciously destroy, injure, or obstruct said canal, or any of its parts, or works therewith connected, or unnecessarily and maliciously open any gates thereon, or otherwise let off and waste water to the detriment of said company, he, she, or they, shall be considered guilty of a misdemeanor, and being thereof convicted, shall be punished by fine or imprisonment, or both, at the discretion of the court in which such conviction shall take place : *Provided*, such fine shall not exceed the sum of twenty-five dollars, nor the imprisonment the term of two years ; and such criminal prosecution shall in no wise impair the right of action for damages by a civil suit to be brought by the company.

Banking. **XIV.** *And be it enacted,* That for the encouragement of so great an undertaking as the erection of said canal, and in some measure to induce capitalists and others to subscribe to the capital stock of said company for the purpose of banking operations, but under the following conditions, limitations, and restrictions, namely : that as soon as the said company shall have actually paid, laid out, and expended, the sum of two hundred thousand dollars in the purchase of lands, waters, and water privileges, necessary for the construction and uses of said canal, and in constructing, making, and building the same, it shall and may be lawful for the president and directors aforesaid to call from the stockholders respectively of said canal company, for the time being, in proportion to their respective shares, the sum of two hundred thousand dollars, or any less sum, in the discretion of said president and directors, toward a capital, for banking purposes as aforesaid, and so often thereafter as the said company shall have paid, laid out, and expended, other like sums of two hundred thousand dollars in the purchase of lands as aforesaid, and in constructing, making and building, the said canal as aforesaid, it shall be lawful for the president and directors aforesaid, to

Capital may be called as money is expended on canal.

increase the capital stock of said company, for banking purposes, to such further amount of two hundred thousand dollars : *Provided*, that the said increased capital of the company for banking purposes, shall not exceed in the whole, one million of dollars ; and the president and directors shall and may upon any increase of the capital of said company, for banking purposes as aforesaid, call for the same from the stockholders respectively, at such time, and in such instalments in proportion to their respective shares, and upon such notice, and under such forfeitures, as they shall prescribe : *Provided always*, that no such increase of stock for banking purposes as aforesaid, shall at any time be made, by reason of an alleged expenditure of any of the respective sums of two hundred thousand dollars as aforesaid, until the president and directors aforesaid shall have first caused to be exhibited to the Governor, or person administering the government of this state, a just and full statement and account, showing that such expenditure of two hundred thousand dollars hath actually been made in and about the purchases necessary for the construction of, and in the various works as aforesaid of said canal ; and the president and cashier, or person keeping the accounts of said company, shall severally certify the said account of expenditures to be just and true, and subscribe their names thereto, and, moreover, make, subscribe, and annex to the same their respective oath or affirmation, taken before one of the justices of the Supreme Court of this state, that the said account is just and true to the best of their knowledge and belief ; and shall otherwise, if required by the said Governor, or person administering the government, prove to the satisfaction that the same is true, and further obtain from said Governor, or person administering the government, a certificate under his hand, and the seal of the state, certifying that it hath appeared to him that the said sum of two hundred thousand dollars has been actually expended upon and towards the said canal, according to the provisions of this act, and that the said company is entitled to increase its capital stock for banking purposes to that amount ; which certificate the said Governor, or person administering the govern-

Bank capital
not to exceed
\$1,000,000.

Account to
be exhibited to
Governor.

Governor's
certificate to
be obtained.

ment, upon his being satisfied of the truth and fairness of said account, is hereby authorized and required to grant. And the said president and directors, before any increase of the said capital for banking purposes, to such additional amount of two hundred thousand dollars as aforesaid, shall cause the account and statement exhibited and sworn to as aforesaid, to be filed in the office of the secretary of state, and the certificate of the Governor, or person administering the government as aforesaid, to be recorded in the same office; a certified copy of which certificate and account, by the secretary of state under the great seal of the state, shall be received in all courts in this state as evidence that such expenditures of two hundred thousand dollars was made on or towards the said canal, at the exhibition of the account aforesaid.

✓
Account to
be filed and
certificate ren-
dered.

XV. And be it enacted, That if the person acting as president, and the person acting as cashier or accountant of the said company, and who shall have made or exhibited any such accounts as aforesaid, or either of them, shall wilfully and knowingly make a false oath to the same, such person shall be deemed guilty of perjury, and on conviction of the same, shall be subject to the pains and penalties of wilful and corrupt perjury.

President or
cashier swear-
ing falsely, guilty
of perjury.

XVI. And be it enacted, That within one year after the first increase of the capital stock of the said company for banking purposes as aforesaid shall have been made, and so annually thereafter, until the said canal shall have been completed, the said company shall cause to be made out a just and true account of their expenditures upon said canal, within each of the said years respectively, which account shall be certified and sworn to by the acting president and cashier, or accountant, in manner as directed in the fourteenth section of this act; and the said account shall be filed within such year in the secretary's office of this state. And whensoever it shall appear, by such annual account in any year, that the said company have not actually expended on said canal at least the sum of one hundred thousand dollars within such year, or if the said company shall neglect to file said account in manner aforesaid in any year, then and in either case, the said company shall

Annual ac-
count of ex-
penditures on
the canal.

wholly cease from and discontinue all banking discounts and operations upon their said increased capital for banking purposes, and shall not resume the same until the said account shall have been proved and filed as aforesaid, and showing such annual expenditure.

Or Banking
to cease.

XVII. *And be it enacted*, That if the said acting president and cashier, or accountant, or either of them, shall wilfully make a false oath to any such account as is mentioned in the foregoing section, such person shall be deemed guilty of perjury, and on conviction of the same, be subject to the pains and penalties of wilful and corrupt perjury.

False oath
perjury.

XVIII. *And be it enacted*, That the banking house of the said company shall be situated, and their banking operations be conducted, in the city of Jersey, in the county of Bergen; and it shall be the duty of the president and cashier of the said corporation, for the time being, once in two years, to make a full return to the Secretary of State, under oath, of the stock of said company, used in banking operations, where the same is employed, how much specie is in the vault or vaults of their banking house or banking houses, what amount of notes of said company are in circulation, and the amount of debts due from and owing to said company; and in case the said president and cashier shall neglect or refuse so to do for the space of ninety days, the legislature may, at any time thereafter, in their discretion, suspend banking operations.

Banking house
to be in Jersey
City and banking
operations
to be conducted
there.

Once in two
years returns
of bank affairs
to be made.

XIX. *And be it enacted*, That the funds of the said company shall never be employed in any other operations, nor for any other purposes, than those provided for in this act.

Funds not to
be diverted.

XX. *And be it enacted*, That nothing in this act shall be taken to impair the right of any person to an action against the said company, for damages to his or her water rights, lands, tenements, or hereditaments, by the erection of said canal, where such person hath not been agreed with by the said company, or his or her damages, right, and estate satisfied, and vested in the said company, under the previous provisions of this act.

Rights of ac-
tion reserved.

XXI. *And be it enacted*, That in eleven years after the

After eleven years to pay a bonus. passing of this act, and annually thereafter, the president and directors of said company shall be, and they are hereby required to pay or cause to be paid into the treasury of this state, the one half of one per cent. on the whole amount of such capital actually subscribed and in, and which shall thereafter be paid in to such company for banking purposes as aforesaid ; and upon neglect or refusal so to do by said president and directors, the said tax shall and may be recovered in such manner as is directed in an act entitled "An act to tax bank stock," passed November second, one thousand eight hundred and ten, or any other act or acts of the Legislature for the time being, for the recovery of tax on bank stock ; and the said tax, when collected, shall be appropriated as other bank tax is, or shall by law be directed to be appropriated.

Bank for thirty-one years. XXII. *And be it enacted*, That so much of this act as relates to banking rights and privileges upon the increased capital of the company for banking purposes as aforesaid, shall continue and be in force for and during the term of thiry-one years from the passage of this act.

Fifteen years to open canal. XXIII. *And be it enacted*, That unless one million of dollars shall be subscribed as aforesaid, on or before the first day of November next, and also, unless the said canal shall be completed and opened for the passage of boats within fifteen years from the passage of this act, then the same shall be, and is hereby declared to be null and void.

Further powers as to employment of banking capital. XXIV. *And be it enacted*, That the said company shall and may be, and are hereby made capable of using any part of their capital which shall be paid in for banking purposes, as aforesaid, for the following additional purposes, that is to say, in buying and selling bills of exchange, or the stock of any body or bodies corporate and politic, and in loans upon bonds and mortgages ; and they may bind themselves by contract not under seal, and receive and take by deed or devise any effects and property, both real and personal, which may be left or conveyed to said company, in trust, and to assume, perform, and execute any trust which has been or may be created by any deed, bequest, or devise, as aforesaid.

And the said company is hereby authorized and empowered to receive, take, possess and stand seized of, and to execute any and all such trust or trusts in their corporate capacity and name, in the same manner and to the same extent as any private trustee or trustees might or could lawfully do, and no further ; but it is hereby expressly declared, that the privileges hereby granted to the said company for receiving and executing trusts are solely for the purpose of the protection of property so conveyed to them, and not for the purpose of aiding or promoting any traffic in any kind of stocks, or in any kind of goods, wares and merchandise ; and in case any kind of goods, wares or merchandises, shall be so conveyed or bequeathed in trust as aforesaid : the said company shall dispose of the same as soon as it conveniently can be done, Trust property to be invested. and the avails thereof shall be invested in stocks, or in bonds and mortgages, or other permanent securities, for the sole use of the person or persons beneficially interested therein ; and the said privileges shall not be so construed, as legally to empower the said company to take any other kind of trusts than such as are usual with other trustees : *Provided always*, that this act shall not extend to create any entailment, trust, or perpetuity ; contrary to any existing provision or law.

XXV. *And be it enacted*, That the said canal, when completed, shall forever thereafter be esteemed a public highway, Canal to be a public highway. free for the transportation of any goods, commodities, or produce whatsoever, on payment of the tolls, and conforming to the regulations made or authorized by this act. And it shall be lawful for the legislature of this state at any time hereafter to appoint three commissioners, for the purpose of fixing and regulating the tolls to be taken on said canal, which shall be done by the said commissioners in conjunction with two commissioners to be appointed by the company, unless the said company should refuse or neglect, upon due notice, to appoint any commissioners on their part, in which case the said commissioners, on the part of the state, or a majority of them shall fix and regulate the tolls, with due regard to the interest of the company and of the citizens of this state : *Provided always*, that they shall not have power to reduce said Tolls how to be regulated.

tolls lower than one half of the greatest amount allowed by the ninth section of this act, without the consent of the president and directors of said company.

After ninety nine years, state may take the canal. **XXVI.** *And be it enacted,* That at the end of ninety-nine years from the passing of this act, it shall and may be lawful for this state to take to itself and on its own account, the said canal and its appurtenances, paying to the said company the fair value thereof, to be estimated and fixed upon by ten commissioners, or a majority of them, to be mutually chosen by this state and the said company ; or, in case that it shall not be done at that time, or within one year thereafter, this charter shall continue, so far as it respects its canal operations and privileges for the further term of fifty years, when it shall cease, and the said canal with its appurtenances, become the sole property of this state.

Can only take lands or waters necessary for navigation. **XXVII.** *And be it enacted,* That the first, fifth, sixth, and eleventh sections, and every other part of this act, shall be so construed, as that the said corporation shall not be authorized to take or appropriate to the use of said canal, or under color or pretence that the same are necessary therefor, any lands, waters, or streams of water, but such only as are actually necessary for the erection and use of said canal, for the purposes of navigation only, and its necessary towing paths and works, as specified in the fifth section of this act ; and that the said corporation shall not be authorized to demise, grant, alien, or sell any such lands, waters, or streams taken, or pretended to be taken, or required, for the use of said canal as aforesaid, or any part thereof, to any person or persons whomsoever (excepting only such lands as may be received by them by donation, or acquired of them by private contract) and that the said corporation, or any other person, shall not be authorized to use or appropriate any part of said waters for mills, or any other purpose than the mere navigation of said canal ; and all waters not used for that purpose, shall be permitted, without unnecessary interruption, to flow into their ancient and natural courses and channels : and that the twentieth section of this act shall be so construed, as to extend to damages sustained not only by the erection of the said

canal in the first instance, but also by the subsequent operations of the company, from time to time, as the same may arise; any thing in this act before contained to the contrary notwithstanding.

XXVIII. *And be it enacted*, That this shall be a public act, and shall be judicially referred to by all judges, justices and others, without being specially pleaded. Public act.

A SUPPLEMENT

To the Act, entitled "An Act to incorporate a Company to form an Artificial Navigation between the Passaic and Delaware Rivers."

PASSED 31st December, 1824.

SEC. 1. Be it enacted by the Council and General Assembly of this State, and it is hereby enacted by the authority of the same, That any time after one million of dollars shall be subscribed towards the capital stock of said company, and ten per cent. thereon paid to the commissioners and directors appointed as mentioned in said act, it shall be lawful for the said company to call in from the stockholders respectively the sum of one hundred thousand dollars, to be used for banking purposes, as directed in said act, but they shall not call in any more money for said purposes, except in conformity to the provisions of said act. And if the said company shall omit, for the space of one year after the passing of this supplement, to expend the sum of one hundred thousand dollars on said canal, and file an account thereof, agreeably to the sixteenth section of said act, the banking privileges hereby given shall cease.

To call \$100,000 for banking.

If \$100,000 not expended on canal, banking to cease.

AN ACT

To authorize the Morris Canal and Banking Company, to extend the Morris Canal to the Waters of the Hudson.

PASSED January 26, 1828.

SEC. 1. Be it enacted by the Council and General Assembly of this State, and it is hereby enacted by the authority of the same, That it shall and may be lawful for the Morris Canal and Banking Company, incorporated by an act entitled "An act to incorporate a company to form an artificial navigation between the Passaic and Delaware rivers," passed December thirty-first, one thousand eight hundred and twenty-four, to continue the Morris Canal to the waters of the Hudson river.

Extend to the Hudson river. to continue the Morris Canal to the waters of the Hudson, at or near the city of Jersey ; and for that purpose, said company shall have all the rights, powers and privileges given and granted by the said act, and shall be subject to all the restrictions, limitations, conditions, and provisions in the said act contained, in the same manner, and to the same effect, as if the said company had been originally authorized by said act, to construct a canal or artificial navigation to connect the waters of the Delaware river, near Easton, with the waters of the Hudson, at or near the city of Jersey : *Provided*, that the canal shall be connected with the Passaic river at the village of Newark, so that the boats used on the said canal, can at all proper times pass from the same into the river, and from the said river into the canal : *Provided also*, that nothing herein, or in the act of incorporation herein before mentioned, contained, shall be taken or construed to hinder or prevent the legislature from authorizing a deep cut or canal, for sloop navigation between the Newark and New York bays : *And provided further*, that the said company, unless it be with the consent of the owner or owners, shall not take any lands for extending the said Morris Canal, pursuant to the provisions of this act, until the said lands shall have been surveyed and appraised, pursuant to the sixth section of the said act of incorporation, and until the said company shall have first paid, or tendered to the person entitled thereto, the

Proviso.

amount of such appraisement ; or in case such person shall be ~~feme covert, under age, non compos mentis, or out of the state,~~ the said company shall pay the same into the Court of Chancery of this state, and in all other respects the provision of the said act of incorporation shall be taken as applicable to lands to be taken for the purpose of extending the said canal, pursuant to the provision of this act, in the same manner as they apply to lands which may be taken pursuant to the said original act of incorporation.

SEC. 2. And be it enacted, That it shall and may be lawful for the said company to make and construct the said canal through, upon, or along any street, road or public highway ; but if the said canal shall be made or constructed through, upon, or along any street or streets in the town of Newark and Jersey City, or either of them, in such case, the land occupied by said canal, and for its towing path, shall not exceed a space of thirty-two feet.

SEC. 3. And be it enacted, That it shall be the duty of the said company, at their proper expense, to make good and sufficient bridges, and to keep the same in repair, across any part of the said canal which may be extended, pursuant to this act, so that it shall be convenient to the inhabitants at all times to pass to and from their lands and meadows, and to the waters and landing places of the said bays and rivers.

AN ACT

To authorize the Morris Canal and Banking Company to borrow money, and for other purposes.

PASSED February 23, 1829.

SEC. 1. Be it enacted by the Council and General Assembly of this state, and it is hereby enacted by the authority of the same, That it shall and may be lawful for the said the Morris Canal and Banking Company to borrow the sum of five hundred thousand dollars, and to issue therefor their post

On what condition lands may be taken by the company.

Canal may be conducted thro' the str'ts of Newark and Jersey City.

Company to erect and keep in rep'r all necessary bridg-
es, &c.

Company au-
thoriz'd to bor-
row money.

Proviso.

notes, bearing an interest of six per cent. per annum, payable to the owners or bona fide holders thereof: *Provided*, that no such post note shall be issued of a less denomination than three hundred dollars.

Authorized
to assign and
convey the ca-
nal, &c. as col-
lateral securi-
ty.

SEC. 2. *And be it enacted*, That, for the purpose of securing the punctual payment of the interest and the redemption and payment of the principal sums so to be borrowed as aforesaid, the Morris Canal and Banking Company be, and they are hereby authorized to execute and deliver to any person or persons, body corporate or politic, an assignment, conveyance, or transfer of the said Morris Canal, with its appendages and appurtenances, and of all the lands, tenements and premises belonging to the said company and of the charter, chartered rights, and privileges of the same, and conditioned for the purpose aforesaid; which assignment, conveyance, or transfer, shall be entered on record in the office of the secretary of this state, and shall be valid and effectual as a collateral security for the payment of the principal and interest of the said post notes, according to the tenor and effect thereof.

Penalty for
non-complia'c
with their en-
gagements, &c.

SEC. 3. *And be it enacted*, That if the said company shall neglect or refuse to pay to any person or persons, being the owners or bona fide holders or assignees of any post note or post notes so to be issued by the said company for said loan of five hundred thousand dollars, the interest due thereon as the same may become due, or the principal amount of such post note or post notes, when the principal thereof shall become due, at the banking house and other office of the said company in this state, the same having been presented for payment, then, and in either of the cases aforesaid, upon such failure and defalcation being proved, or otherwise made to appear to the satisfaction of the chancellor of this state, the said Morris Canal, with all its appendages and appurtenances, and all its chartered rights and privileges, shall become the property of the said assignees or transferees, for the use and benefit of the bona fide owners of the post notes that may have been issued by the said company under the provisions of this act; and thereafter the said assignees or transferees shall hold, use, and enjoy the said canal, with its

appendages and appurtenances, and take and receive the tolls, rents, issues and profits thereof, in trust for the owners, as aforesaid, of the said post notes in proportion to their respective interest therein, during the whole of the residue of the term for which the said company was chartered, in as full and ample a manner as the stockholders of the said company could or might have used and enjoyed the same, subject, nevertheless, to all the restrictions, limitations, and conditions contained in the said charter.

SEC. 4. *And be it enacted*, That if the said Morris Canal and Banking Company shall pay to the owners or bona fide holders of the post notes so to be issued by them for the said loan, the interest to become due thereon in manner aforesaid, and the principal sums due thereon, when the same shall become payable, according to the tenor and effect of such post notes, then and from thenceforth the said Morris Canal and Banking Company shall stand seized and possessed of said canal, with all its appendages and appurtenances, and of and with all the rights, immunities and privileges contained in and guaranteed to them by their original charter, in as full and ample a manner as if this act had not been passed, and the grant, conveyance, or assignment of the said canal, with the lands, appendages, and appurtenances herein before provided for, shall cease and be utterly null and void, and as if the same had never been made.

Interest to be
punctually paid
&c.

AN ACT

To amend an Act, entitled “An Act to incorporate a Company, to form an Artificial Navigation, between the Passaic and Delaware Rivers,” passed thirty-first December, one thousand eight hundred and twenty-four and for other purposes.

PASSED January 28, 1830.

Preamble. WHEREAS, the Morris Canal and Banking Company, have petitioned for certain amendments, modifications, and alterations of the acts, incorporating and affecting the said company—

SEC. 1. *Be it enacted by the Council and General Assembly of this State, and it is hereby enacted by the authority of the same,* That where any freeholder who may have been, or hereafter may be appointed, as an appraiser, pursuant to the sixth section of the act, entitled “An act to incorporate a company to form an artificial navigation between the Passaic and Delaware rivers,” shall die, remove from the state, refuse to act, or his place or office otherwise become vacant, it shall be lawful for any justice of the Supreme Court in this state, not being a stockholder, to appoint in the manner prescribed by the said last mentioned act, some other discreet or disinterested freeholder, as appraiser, to fill such vacancy, and so as often as such vacancy shall happen as aforesaid; and the justice of the Supreme Court, to whom application shall be made in this behalf, shall determine and decide upon such testimony as may be presented to him before he makes any new appointment as aforesaid, that such vacancy has happened within the true intent and meaning of this act; and when such new appointment shall be duly made, the appraisers, for the time being, shall proceed according to the provisions of the last mentioned act, and shall in all things conform thereto, in the same manner as if the freeholders, then being appraisers, had been the persons originally appointed as appraisers, pursuant to the said act incorporating the said company.

Vacancies
how to be fill-
ed.

SEC. 2. *And be it enacted,* That the Morris Canal and Banking Company may, from time to time, borrow all such sum and sums of money as to the board of directors of the said company shall appear necessary and proper, and for securing the due payment of the sums so borrowed, with the interest thereof, it shall and may be lawful for the said company to pledge or hypothecate, by way of mortgage, trust or otherwise, howsoever, the Morris Canal with all its privileges, appendages and appurtenances, and all the property and chartered rights of the said company ; and such pledge, hypothecation, mortgage or trust, may be valid for the due payment of any sum or sums of money, with the interest thereof, which the same may be given to secure ; and in case default shall be made in the payment of any sum or sums of money, so borrowed as aforesaid, or the interest thereof, the person or persons, body politic or corporate, or their legal representatives or assigns, claiming under such pledge, hypothecation, mortgage or trust, may, by due process of law, acquire and have, and hold, use and enjoy, the said canal with its appendages and appurtenances, and the property of the said company, and take and receive the tolls, rents, issues and profits thereof, during the whole residue of the term, for which the said company is chartered or incorporated, in as full and ample a manner as the stockholders of the said company could or might have had used and enjoyed the same, subject nevertheless to all the restrictions, limitations, and conditions contained, in the said first mentioned act or charter of the said company: *Provided*, that any deed by which any pledge, hypothecation, mortgage, or trust, shall be created by virtue of this act, shall be entered of record in the office of the secretary of state, of this state : *Provided also*, that nothing herein contained shall be taken or construed to effect or impair any prior liens that there may be on the said canal, or on the rights or property of the said company ; and that all person or persons, bodies politic or corporate, claiming by virtue of any pledge, hypothecation, mortgage, or trust, made pursuant to this act, shall have no right or title otherwise than ac-

Further pri-
vileges grant'd
to the compa-
ny, &c.

Proviso.

cording to the priority of their respective incumbrances, or of the pledge, hypothecation, mortgage, or trust, which may have been given or created for his or their benefit.

AN ACT

For the better protection of the Morris Canal, its works and appendages.

PASSED March 10, 1832.

SEC. 1. Be it enacted by the Council and General Assembly of this state, and it is hereby enacted by the authority of the same, That if any person or persons, shall, in any manner, wilfully or maliciously destroy, injure or obstruct the Morris Canal, or any of its parts, or any of the works therewith connected, or thereunto appertaining, or shall wilfully or maliciously injure or obstruct the passage of any boat therein, or navigating the same ; or if any person or persons shall against the will or consent of the person who may be by the said company appointed to have charge of, or to attend any lock or inclined plane on the said canal, open any gate of such lock or plane, or shall work, or attempt to work such plane, or to pass a boat, raft, or other floating thing through or over such lock or plane ; or if any person shall wilfully or maliciously let off or discharge water from the said canal, through or by any waste-wier, or waste-gate, or otherwise, or shall shut down or close, either in part or in whole, any feed-gate, or water-wier, or water-gate, which may have been opened to feed the said canal or any part thereof, or to discharge water for the safety thereof ; the person or persons so offending, shall forfeit and pay to the said company, the sum of twenty-five dollars, to be recovered by, and in the name of, the president and directors of the Morris Canal and Banking Company, in any court having competent jurisdiction : Provided, that nothing herein contained shall be taken or construed to prevent the said company from proceeding, if they

Prohibition
of certain in-
juries to the
canal or its
works.

Proviso.

shall elect so to do, under and pursuant to the provisions of the thirteenth section of the act entitled "An act to incorporate a company to form an artificial navigation between the Passaic and Delaware rivers," against the person or persons so offending, as in the said act is specified, and saving to the said company the right also to prosecute a civil suit as it is given to them by the said act ; but there shall, nevertheless, be no more than one penalty imposed upon any person or persons, in virtue of this act and the last mentioned act for the same offence.

AN ACT

Further supplementary to an Act, entitled "An Act to incorporate a Company, to form an Artificial Navigation, between the Passaic and Delaware Rivers," passed thirty-first December, eighteen hundred and twenty-four.

PASSED 19th January, 1835.

Be it enacted by the Council and General Assembly of this State, and it is hereby enacted by the authority of the same, That the capital stock of the Morris Canal and Banking Company be increased, for the purpose of completing the said canal, and paying the debts and claims already incurred by reason of the construction thereof, ten thousand shares ; and the president and directors of said company are hereby authorized and empowered to obtain subscriptions for said shares, in the manner directed by the act to which this is a supplement, and to issue certificates for the same, giving preference to original stockholders still holding their stock ; and all stockholders of such additional shares, and their assigns, shall thenceforward be incorporated into the said company ; and that from and after the passing of this act, the par value of each and every of the shares in said company, as well those heretofore authorized, as those created by this act, shall be one hundred dollars ; and that all holders of

Capital stock
increased 10,
000 shares.

Par value,
\$100.

existing shares, representing two hundred dollars each, may surrender the same, and shall thereupon be entitled to receive new certificates to double the number of shares by them surrendered: *Provided*, that no part of the monies arising from the subscription hereby authorized, be applied to the exercise of any banking or trust powers whatsoever, but solely and exclusively to the completion of said canal, and the payment of its debts, as above stated.

AN ACT

Further to amend an Act, entitled "An Act to incorporate a Company to form an Artificial Navigation between the Passaic and Delaware Rivers," passed December thirty-one, eighteen hundred and twenty-four.

PASSED 5th March, 1836.

SEC. 1. *Be it enacted by the Council and General Assembly of this State, and it is hereby enacted by the authority of the same,* That upon such navigable feeder or feeders, as in virtue of this act, or the act of original incorporation, may be constructed by the Morris Canal and Banking Company, for the purpose of conducting into the Morris Canal the waters of Long Pond, or other waters that may be requisite for the supply of the said canal, the said company shall be and are hereby authorized to charge and receive the same rates of toll as are now lawfully chargeable upon the said canal.

SEC. 2. *And be it enacted,* That the twenty-seventh section of the act to which this is a supplement, shall not be so construed as to prohibit or prevent the said Morris Canal and Banking Company from letting to use the water necessary for the purposes of the canal, in working other machinery than that requisite for the planes, between Boonton, in the county of Morris, and the Passaic at Newark; but no other person or persons shall so appropriate the water of said canal, without the consent of said company: *Provided*, that nothing

Toll charged
upon naviga-
ble feeders.

in this act contained, shall be construed to authorize the said company to interfere with the rights or privileges of other persons, in the use of the waters of this state, for the said purposes, without their consent ; and *Provided* also, that the said company shall not carry on or engage in any manufacturing business ; and *Provided* further, that nothing in this act contained shall be construed to authorize the said company to use as much of the waters of the Musconetcong Creek, for the said purposes, as to deprive the owners of mills or manufactories on said creek, below the dam at Saxon's Falls, of sufficient water to turn one wheel as at present used to drive two run of millstones, with the necessary fixtures for the same, during eight weeks in the year, and at least two wheels, each of the same power, during the residue of the year, without the consent of the owners.

SEC. 3. *And be it enacted*, That in order to enable the said company to procure the requisite lands and premises, and to construct the several basins, reservoirs and feeders, authorized by the said act of incorporation, and the amendments thereto, the said Morris Canal and Banking Company shall be and they are hereby authorized to increase the capital stock thereof, to an amount not exceeding six hundred thousand dollars, in shares of one hundred dollars each, for which they may obtain subscriptions and issue certificates, in the manner prescribed in the said act of incorporation, and all holders of such additional shares shall thenceforward be incorporated into the said company : *Provided*, that no part of the said sum of six hundred thousand dollars shall be used for banking purposes, but shall be applied exclusively to the objects set forth in this section.

SEC. 4. *And be it enacted*, That the corporate powers of the said Morris Canal and Banking Company shall be exercised by a board of directors, to consist of twenty-three persons, who shall elect a president annually from their body, and possess the other privileges and power already conferred by law.

SEC. 5. *And be it enacted*, That within one month after the passing of this act, the board of directors shall be divi-

Capital stock
may be increased
\$600,000,
for procuring
lands, &c.

Number of
directors in-
creased.

^{Board of directors divided into 5 classes.} ded into five classes, one consisting of three, and the remaining four of five persons each, and so arranged that the term of service of one of said classes shall expire at the end of one year, one at the end of two years, one at the end of three years, one at the end of four years, and one at the end of five years ; that three directors shall be elected at the end of the first year, and five directors at the end of the second, third, fourth and fifth years, by the stockholders, in the manner now prescribed by law, and in like manner until the expiration of the charter ; but the supreme court of this state shall have power to remove a director for misconduct, to be heard on such notice as they shall deem reasonable, on the application of a stockholder or any person interested.

^{Supreme court has power to remove directors.} SEC. 6. *And be it enacted*, That the following persons shall constitute the first board of directors : that is to say, Louis McLane, John S. Crary, James Parker, George Griswold, John Haggerty, Garret D. Wall, Samuel R. Brooks, Washington Irving, John S. Darcy, Henry Yates, Peter M. Ryerson, Christian B. Zabriskie, Edwin Lord, Joseph L. Joseph, Isaac H. Williamson, Daniel Jackson, Jonathan Goodhue, John Travers, Henry W. Hicks, James B. Murray, John Moss, Stephen Whitney, and Philemon Dickerson ; that their authority and power as directors under this act shall commence from the time it shall take effect as a law, and that so much of the aforesaid charter, and no more, as is inconsistent with the foregoing provisions, be and the same is hereby repealed : *Provided however*, that the change in the mode of appointing directors, as pointed out in the present act, shall not be obligatory on the stockholders, unless within one month after the passing of this act, at least three-fourths of the stockholders, in number and amount, shall cause to be filed in the office of the secretary of state, a writing signed by the said stockholders, setting forth the number of shares by them held, and duly attested by the president and cashier of said Morris Canal and Banking Company, signifying their assent to such change, and also their assent to the persons named in this section as directors.

SEC. 7. *And be it enacted*, That nothing in this act con-

tained shall be construed to authorize the said company to issue their bank notes to such an extent as to create a circulation of said notes of more than two millions of dollars at any one time ; and that the said company, after the fourth day of July next, shall issue no bills of a less denomination than five dollars, unless the legislature should hereafter repeal the act entitled "An act to prevent the issuing and circulation of small notes for the payment of money," passed the fourth day of March, eighteen hundred and thirty-five.

SEC. 8. *And be it enacted,* That the legislature of this state shall have it in their power at any time hereafter (when-ever in their opinion it may become necessary) to appoint three commissioners with full power to examine into the proceedings of the said corporation and report the same to the legislature.

No bills of
less than \$5 to
be issued after
4th July next.

BY-LAWS

OF THE

MORRIS CANAL & BANKING COMPANY.

RULE 1.

THERE shall be a stated meeting of the Directors, until otherwise ordered, on Thursday, in each week, at the Banking house in Jersey City.

The President may call a special meeting whenever he may think it necessary. He shall also call a special meeting whenever any three of the Directors shall request that he shall do so. The Cashier shall give due notice of all special meetings to the President and Directors. Whenever any three of the Directors shall request in writing, that a meeting of the Directors be called, the Cashier shall give notice of such special meeting to the President and Directors, without consulting the President. Five Directors, of whom the President shall always be one, or in his absence, seven Directors shall form a quorum for the transaction of the ordinary business of the Company.

RULE 2.

In the intervals, between the stated meetings, the business and affairs of the company shall be transacted and managed by the standing and special committees, who shall weekly, at each stated meeting, make a report of their proceedings for the approbation and confirmation of the board.

Transaction
of business in
the intervals.

RULE 3.

Days & hours of business. The bank shall be kept open for the transaction of business, from nine o'clock in the morning, until three o'clock in the afternoon, every day in the year, except Sundays, Christmas day, the first of January, and the fourth of July.

RULE 4.

Bank shall take charge of cash, &c. The bank shall take charge of the cash of all such persons as shall choose to place it there, free of expense, and shall keep it subject to the order of the depositor payable at sight: and shall also receive special depositories of ingots of gold, bars of silver, wrought plate, and other valuable articles of small bulk, for safe keeping, at the risk of the depositor; and shall also receive any money which may be deposited with, or loaned to the company, under its trust or other powers, upon such terms as may be agreed upon with the parties respectively.

RULE 5.

Days of discount. All bills and notes offered for discount, shall be delivered into bank on the day preceding the stated meeting in each week, and laid before the Board of Directors by the Cashier, at their meeting on the succeeding day; together with a statement of the funds and situation of the bank; shewing particularly the cash on hand, amount on deposite, bills in circulation, and amount received for discounts or interest; on which days the discount shall be settled, and such as shall be admitted shall be passed to the credit of the applicants, on the day on which they are discounted, and may be drawn for at any time thereafter; and the notes or bills not discounted shall be returned, at any time after one o'clock on the same day.

RULE 6.

Discounts and accommo- dation. Discounts shall not be made upon personal security, without two responsible names (the firm of a house being considered as one name only): but if stock of this bank, or some other company in good credit, or such other property as

shall be approved by the board, be deposited and pledged to an amount sufficient to secure the payment, with all damages, one responsible name may be taken. But no *accommodation note* (i. e. a note, the proceeds of which are to be placed to the credit of the drawer) shall be discounted, but upon an express agreement to pay the same at maturity, nor then, unless its payment be secured by a deposite of the stock of some bank or company of good credit, or such other security as shall be approved by the board ; together with an express authority to the bank to sell the deposite in case of non-payment at any time after the note shall become due. And no note shall be discounted or renewed, nor any money lent by the Cashier, without the special order of the board, or of the President and the finance committee.

RULE 7.

On each application for discount, every director who may be present, shall be held to give his opinion for or against the same. And no discount shall be made without the consent of three-fourths of the directors present ; and all notes and bills discounted shall be entered in a book, to be called the credit book, in such manner as to discover to the board, at one view, on each discount day, the amount which any person is discounter, or is indebted to the bank, either as payer or endorser.

Mode of decision on application for discounts.

RULE 8.

On every discount day, the name of every person who shall have overdrawn the bank since the last discount day, shall be reported to the board ; and no person, while he remains an overdrawer, shall have any note or bill discounted at this bank ; and in no instance will this bank give a release or discharge to any debtor where the debt arises from an overdraft. And every officer who shall knowingly suffer an overdraft to be made on the bank, without communicating it to the President or Cashier, shall be dismissed from the service of the bank.

Over drafts.

RULE 9.

Protest.

If any bill or note belonging to this corporation, shall not be paid before the shutting of the bank on the last day of grace, such bill or note shall be forthwith protested : and while such bill or note remains unpaid, no discount or accommodation shall be granted to any drawer, accepter, or endorser of the same. Bills and notes deposited for collection, at any time before the commencement of the days of grace, shall be proceeded with as bills and notes discounted ; unless the person depositing the same shall otherwise direct in writing : provided, that in case of non-payment and protest, the person lodging the same shall pay the charges of the protest.

RULE 10.

Persons keep-
ing accounts
to subscribe
their names.

Every person who opens an account and transacts business with this bank, shall subscribe his name in a book to be kept for that purpose, to be called the book of signatures, and all persons who compose any house, keeping an account with this bank, shall subscribe their names, and the signature of the firm, in this book, if residing in New Jersey, or in the city of New York.

RULE 11.

Inspection of
private acc'ts

No Director, without special authority, shall be permitted to inspect the cash account of any person with this bank ; and such accounts shall only be open to the inspection of the President and Cashier, who shall report the state of the accounts, when called upon, or when the President may think it proper, to the Board.

RULE 12.

Balancing of
books.

The books and accounts of the bank shall be regularly balanced on the first Mondays in January and July in each year ; at which time the dividends shall be declared, and published in at least one of the newspapers in New Jersey and one in the city of New York, and the books of transfers shall shut for ten days immediately preceding each of the days appoint-

ed for balancing the books of the bank and declaring the dividends.

RULE 13.

In all cases when required, the Cashier shall accept powers of attorney for receiving any interest or dividend due, or to become due, on any shares in this bank, which interest or dividend, shall be held by the bank, subject to the order of the proprietor, free of charge.

RULE 14.

Every certificate of stock shall be signed by the President and countersigned by the Cashier. If any person claims a certificate of bank stock to be issued in lieu of one lost or destroyed, he shall make an affidavit of the fact, and state the circumstances of the loss or destruction ; and he shall advertise in one or more of the newspapers in New Jersey and city of New York, for the space of six weeks, an account, of the loss or destruction, describing the certificate and its number, calling on all persons to show cause why a new certificate shall not issue in lieu of that lost ; and he shall transmit to the Bank his affidavit and the advertisements, before mentioned, and to give to the bank a bond of indemnity, with one or more sureties if required, (in the sum of two hundred dollars, for each share to be renewed) against any damage which may arise from issuing the new certificate: whereupon the Cashier shall, six months after the notice by advertisement as aforesaid, issue a new certificate, of the same number and tenor with that said to be lost or destroyed, and specifying that it is in lieu thereof.

RULE 15.

There shall be an election for one class of Directors on the first Monday of March in each year. The said elections shall be held between the hours of twelve and three in the afternoon of the said days at the banking house, in the city of Jersey. At a meeting of the Board of Directors previously to the said elections, five persons, not officers or Directors of

Election of
directors.

the company, any two of whom may act, and shall be a quorum, shall be appointed inspectors of the said elections.

The Cashier shall give notice to the inspectors of their appointment, and request their attendance. He shall also, at least two weeks before an election, cause notice to be published of the time and place of election. The inspectors shall receive and count the votes given at such elections, and make a certificate of the number of persons necessary to compose the class to be elected, having the greatest number of votes, which certificates shall be delivered to the Cashier, who, thereupon, shall give notice to the said persons, to attend at the time appointed for the next meeting of the Directors, at which meeting the Cashier shall report the certificate to the board, and the same shall be entered on the book of minutes.

The right of voting at elections shall be determined by the books of the company and not otherwise ; for which purpose the proper books shall be exhibited by the Cashier to the inspectors, and no person shall vote but on such shares as have stood in his name for at least thirty days immediately preceding the election. The transfer books shall be closed on the Monday inclusive, next preceding each election of a class of Directors, and no transfer of stock shall be permitted till the next day after the election is closed. Any person whose name appears on the books of the company as above, may vote on such shares as shall have stood in his name as aforesaid, in person or by proxy ; such proxy being executed in the presence of at least one witness.

RULE 16.

Vacancies how filled. All vacancies happening in any one of the classes into which the Directors are divided, by death, resignation or otherwise, shall be supplied by a vote of the board, and the person or persons elected to supply such vacancy shall serve for the same length of time as he or they who occasioned such vacancy or vacancies might have served. All elections to supply such vacancies shall be by ballot, and no person shall be chosen who shall not have been nominated at a stated

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meeting at least two weeks preceding ; and the votes of a majority of the whole number of Directors, shall be requisite to a choice.

RULE 17.

The officers of the company shall be appointed by the ^{Officers of the} ~~board~~ company, and shall be a President, a Cashier, and Assistant Cashier. The board may also appoint such other officers, clerks, agents, and servants as, from time to time, they may think necessary.

RULE 18.

In every election to an office (except that of President) ^{Election} ~~officers.~~ by the board, there shall be a previous nomination of the candidate at least one week before the election ; and every election for such officers, shall be by ballot. The President shall be elected annually, at the stated meeting immediately succeeding the election of the class of Directors : and every President and Cashier, shall take or subscribe an oath or affirmation to the following effect, to wit :—I do (swear or affirm) that I will to the best of my knowledge and abilities perform the duties assigned to, and the trust reposed in me, as of the Morris Canal and Banking Company.

RULE 19.

The President shall preside at all meetings of the board ^{President and} ~~his~~ ^{his} duties. when present ; and shall be the judge of, and preserve order according to the rules generally observed in deliberative bodies and those hereinafter prescribed. His decisions shall be immediately submitted to, unless two members require an appeal to the board. He shall name all committees, unless the board shall otherwise determine. When he shall be absent from the city, or unable to attend to the meetings of the Board of Directors, or at the office of the company, it shall be his duty, by letter, to appoint some one of the Directors as President pro tempore, to act in his absence, who during such absence shall have all the powers and discharge all the duties of the President ; but no President pro tempore shall be entitled to any compensation.

The President shall have the general superintendence and direction of the affairs of the company, as well in relation to the canal as to banking. He shall see that the provisions of the charter, the by-laws and the resolutions of the board are duly executed, he shall be ex-officio, a member of all committees, in addition to the other members, but it shall not be incumbent on him to attend any meeting of a committee unless he should be specially requested by the chairman of the committee, or he should think it advisable to attend. He shall from time to time give to the board such information, as to the officers of the company, as he may think may be useful, and he may propose to the board such measures as he may think it would be advisable for the company to adopt. In all cases where the duties of the officers, agents, or servants of the company are not specially prescribed by a resolution of the board or by the by-laws, they shall obey the orders or instructions of the President.

Issue of bank bills. All bank bills shall be signed by the President and countersigned by the Cashier; but there shall be no new emission of bank bills, nor shall any be signed, otherwise than in pursuance of and conformably to a resolution of the Directors to be passed at a stated meeting, at which shall be present the President and at least eight of the Directors; which resolution shall be entered upon the minutes. There shall be a

Register of bills. register of all bank bills signed by the President, which register shall refer to the resolution by dates, by which the issuing of the bills is authorized, and it shall specify the number, date and amount of each bill, and to whom payable. This register shall be prepared by the cashier, and handed by him to the President with the bills to be signed by him; it shall be kept in the possession of the President, and at the next meeting of the Board of Directors, after there shall have been an issue of new bills, the register shall be exhibited to

Custody seal. of the board by the President. He shall also have the custody of the seal of the corporation, which he shall cause to be affixed to all such instruments as the Directors shall order.

RULE 20.

It shall be the duty of the Cashier to countersign at the bank, all bills or notes to be signed by the President, or by order of the board ; carefully to observe the conduct of all persons employed under him, and report to the board the instances of neglect, incapacity or bad conduct, as he may discover in any of them ; daily to examine the cash accounts of the bank ; to take charge of the cash, and whenever the actual amount disagrees with the cash account, report the same to the President and Directors without delay ; to attend all meetings of the board ; keep a fair and regular record of its proceedings ; give such information to the board as may be required, consult with committees, and, when requested, attend their meetings on subjects referred by the board. He shall keep or cause to be kept all the books and accounts of the company ; and those relating to the canal and to the bank shall be kept separately. He shall receive all monies paid to the bank and shall give receipts or certificates for the same. He shall at the proper time prepare all the reports and accounts which by the charter the company is required to make, and also all that the board may require to be made, and submit them to the board. At each stated meeting of the Directors, he shall present to the board an account of the amount of loans made by the company, the amount of specie on hand, amount of notes in circulation, and the amount due to depositors ; and also, when required, exhibit to the board a general statement of the affairs of the company. And twice in each year, that is to say on the first Monday in March and the first Monday in October, and oftener if required, a balance sheet shall be exhibited to the board. It shall also be the duty of the Cashier to take into his custody at the bank ^{Cashier, his duties.} the plates, paper, moulds and bank paper, to superintend the printing of all bills or notes ordered by the Directors to be printed ; and to keep a regular account of the bank paper in his custody, and the quantity ordered from time to time for impression, which account shall be checked by monthly examination by the examining committee.

RULE 21.

Assistant, his duty. It shall be the duty of the Assistant Cashier, to perform the duties of the Cashier in the case of his sickness or absence, and at all times to keep the books and accounts relating to the canal, and all transactions connected with the same ; to observe the conduct of all employed under him, and report any neglect or misconduct to the board ; and generally to perform such services as shall be required of him by the board, or the President.

RULE 22.

Election of Cashier & Ac-
tuary. In the election of Cashier, or Assistant Cashier, the ballots shall be first taken for all the candidates, and if no one shall have a majority of the votes of all the Directors then the candidates having the highest number shall be voted for again, and if no one shall be elected, the ballots shall be then taken on the two highest.

RULE 23.

Bonds to be given by off-
cers & clerks. The Cashier and Assistant Cashier shall give bond to the President, Directors, and company, with two or more approved sureties, in the sum of twenty-five thousand dollars, with a condition for his good behavior, and the faithful performance of his duties to the corporation. The paying and receiving Tellers, in the sum of ten thousand dollars each. The book keepers, discount clerks, note clerks and other clerks, in the sum of five thousand dollars each ; and the porters in the sum of two thousand dollars each, with the same condition.

RULE 24.

Clerks and porters not to keep accounts. No clerk or porter of this institution shall be permitted to have an account with this bank, but shall receive his salary quarterly, or monthly, from the Cashier. And every clerk or servant of the bank shall take and subscribe an oath or affirmation to the following effect, to wit :—I do swear (or affirm) that I will to the best of my knowledge and abilities perform the duties assigned, and the trust reposed in me, as in the bank of business thereof. and keep secret the

RULE 25.

There shall be four standing committees, to be called—<sup>Standing com-
mittees.</sup> 1. The Finance Committee—2. The Committee of Ex-
changes—3. The Canal Committee—and 4. The Examining Committee. In the absence of the President, the first person named on a committee, and so in rotation, shall be chairman, and by him or the President, all meetings of his committee shall be convened. The Cashier shall give notice to each member of a committee of his appointment and of the order in which the members are named. The members of a committee shall hold over until others are appointed, and if there should be a vacancy the same may be at any time filled by the President. All reports of committees shall be signed by the members assenting to the same.

RULE 26.

The Finance Committee shall consist of five Directors, to <sup>Finance com-
mittee.</sup> be appointed quarterly, whose more especial duty it shall be to attend at the bank during their respective term of service, as often as their convenience will permit ; and when requested by the President to afford their aid and advice in all cases relative to the interest and business of the bank ; and particularly on all matters that require an immediate decision, or that cannot without prejudice be postponed until a meeting of the board. The opinion of the committee shall, nevertheless, not control the President, nor shall the opinion of the committee be acted upon without his consent ; but if he and a majority of the committee differ in opinion, the President shall call a special meeting of the board and submit the matter to them.

RULE 27.

The Committee of Exchanges shall consist of three members to be appointed quarterly. Their duty shall be to su-<sup>Exchange
committee.</sup> perintend the dealings of the company in exchanges, foreign and domestic ; to attend at the bank during their term of service as often as convenient, and when requested by the Pre-

sident or Cashier, to consult and give their advice in regard to the purchase or sale of bills of exchange, and when in their opinion delay would be prejudicial to make purchases or sales of such bills without such consultation or advice, to the extent of the funds placed at their disposal. This committee shall report their proceedings and the amount of their purchases at least once in each month.

RULE 28.

Canal committee. The Canal Committee shall consist of five members, to be appointed annually. Two members, the President being present, and three in the absence of the President shall form a quorum ; and shall be convened by written notice from the President or the Chairman. It shall be the duty of this committee generally to supervise and inspect the works of the company on the canal, or in any wise connected with it, and to report to the board whatever it may appear to them is not conducted as it ought to be, and to make any suggestions which may appear to them proper for reformation, or for better order, security and economy in the expenditures of the company, or to ensure an efficient management of the business. They shall report to the board as to any lands or waters which it may appear to them proper the company should acquire, and may treat with the owners as to the price of the same, but the said committee is not authorized to conclude any contract, or make any purchase absolutely without the consent of the Board.

RULE 29.

Examining committee. The Examining Committee shall consist of three members and be appointed annually. It shall be their duty to examine at least once in three months, and oftener if they shall be desired by the President or the board, or if they may deem necessary, the state of the company, its books, cash, evidence of debts, and all other matters which may be thought necessary to give them a full understanding of the affairs of the company ; also to examine and count the discounted notes and compare the amount thereof with the balance of the

amount of bills discounted in the general leger ; they shall also count the printed and unprinted paper, including the bonds in the possession of the Cashier, and examine the evidences of stocks and other property of the corporation, and make an inventory of the same to be compared with the books, in order to ascertain their agreement, and make a full report of their proceedings to the board.

RULE 30.

It shall be the duty of the President, or, at such times as he may appoint, of one or more of the canal committee, at least once in each month open for navigation, to visit the line of the canal and inspect the condition of the canal and its works, and make a report to the board.

RULE 31.

No officer, agent, or Director of the company, without being empowered by the board, shall make any engagement, promise or agreement of any kind whatsoever, purporting to bind the company, or by which its stock, funds or credit may in any wise be affected.

RULE 32.

The annual salaries of the officers of the company, shall be fixed by the Board of Directors, and paid quarterly, on the order or receipt of the respective officers. Any officer of the company may at any time be dismissed or suspended by the order of the board, and shall not be entitled to his salary for any time after he is dismissed or suspended.

RULE 33.

The board shall make rules and regulations respecting the canal, and the management, superintendence, navigation, and repairs thereof, and respecting the tolls and the collection thereof.

RULE 34.

A general meeting of the stockholders shall be held annually at the banking house in the city of Jersey, on the first

General meeting of stockholders.

Monday of March. At each of such meetings of the stockholders there shall be presented to them a general statement of the affairs of the company, as required by the ninth section of the charter, which statement it shall be the duty of the Cashier seasonably to prepare and submit to the Board of Directors, at a meeting previously to the meeting of the stockholders.

RULE 35.

By laws that shall be, and how passed; & how recorded and repealed. Every order, resolve, or act of the Directors which is to operate, until it be altered or repealed, as a permanent regulation of the company, or any of its officers, committeees, agents or servants, shall be considered as a by-law, and shall be passed by the Board of Directors as such; and when passed it shall be entered by the Cashier in a book for that purpose, to be designated, "Charter and By-Laws of the Morris Canal and Banking Company;" in which book shall also be recorded the present by-laws, the act incorporating the company, and the acts altering or amending the same: and also the acts and proceedings of the stockholders, and board of Directors, accepting the act of the legislature of New Jersey, passed the fifth day of March, eighteen hundred and thirty-six. Resolutions merely temporary in their effect, or which are directed to the accomplishment of particular objects shall not be entered in the book of by-laws, but shall be entered as usual in the book of minutes of the proceedings of the Board of Directors. No by-law shall be altered or repealed, nor any new one made, unless at a stated meeting, the same having been submitted at a previous stated meeting, and notice thereof in writing, communicated by the Cashier to each Director; nor unless such alteration or new by-law shall be adopted by a majority of the members attending such subsequent stated meeting, such majority to consist of at least seven Directors.

RULE 36.

Printing and issue of bills, and how destroyed. No bills shall be printed but by, and in conformity to a resolution of the Board of Directors. The printing of bills shall be done under the special care and superintendence of

the President and Cashier. There shall be kept by the Cashier an account book, to be designated as the "Blank Bill Account Book," in which shall be opened an account for each description of bills which may be printed, and on one side of each account shall be entered the number of blank bills printed, and on the other side of the said account shall be entered from time to time, the number of bills filled up and signed by the President and Cashier, so that the number of bills filled up and signed, being subtracted from the number of bills printed, the balance will shew the number of printed blank bills of each particular description on hand ; and it shall be the duty of the examining committee to examine these accounts, and to see that the number of blank bills on hand, correspond with these balances. When bank bills which have been in circulation shall be destroyed, it shall be done pursuant to a resolution of the Board of Directors, and by a committee of three to be appointed by the board. They shall be destroyed by consuming them with fire. The committee shall make a particular report of the number and description of bills by them destroyed, from which report the Cashier shall make such entries in his register of bills issued, as will when the number of bills destroyed are subtracted from the number of bills issued, shew the number and description of bills which are in circulation, and it shall be the duty of the examining committee from time to time, to examine these accounts also.

RULE 37.

The proceedings of the Board of Directors, when conducting their business as a deliberative body, shall be governed by the following rules :—

Rules of proceedings in the board.

1. When the President takes the chair, the members shall take their seats.
2. The minutes of the preceding meeting shall be read, before the board proceeds to any other business, and no debate shall be admitted, nor question taken, at such reading, except as to errors or inaccuracies. The state of the bank shall then be read and the discounts settled.

3. Every member presenting a paper to the chair shall first state its general purport; and every member who shall make a motion, or offer a resolution, or speak on any subject under discussion, shall rise and address the President.

4. No debate shall be entered into on any motion, or resolution, until it shall be stated from the Chair, and all motions shall, if requested by the President or by two members, be reduced to writing; and no member shall speak more than twice upon any one question without leave from the board.

5. While a resolution is under consideration, no motion shall be made, except to amend, divide, commit, or postpone it; but it shall be in order, at any time, on the call of three members, to take the previous question, which shall be, "Will the board at this time act on this subject?" and if it shall be decided in the affirmative, the debate may be continued. A motion to adjourn, shall always be in order, but shall be decided without debate.

6. A member may call for the division of a question or resolution where the sense will admit of it; but no amendment which tends to destroy the general sense of the clause of a resolution shall be admitted.

7. If business of different kinds shall be called for at the same time, by different members, the board will judge and give preference accordingly.

8. The yeas and nays shall be taken on any question, if called for by a member previous to the decision of such question; and when so taken the names of the directors shall be called in alphabetical order, but no motion for reconsideration shall be permitted, unless made and seconded by members who were in the majority on the original question.

9. At the request of any two of the board, the names of the members who make and second a motion shall be entered on the minutes.

RULE 38.

^{Repeal of former laws.} The By-Laws heretofore made, are hereby rescinded and made null and void.



